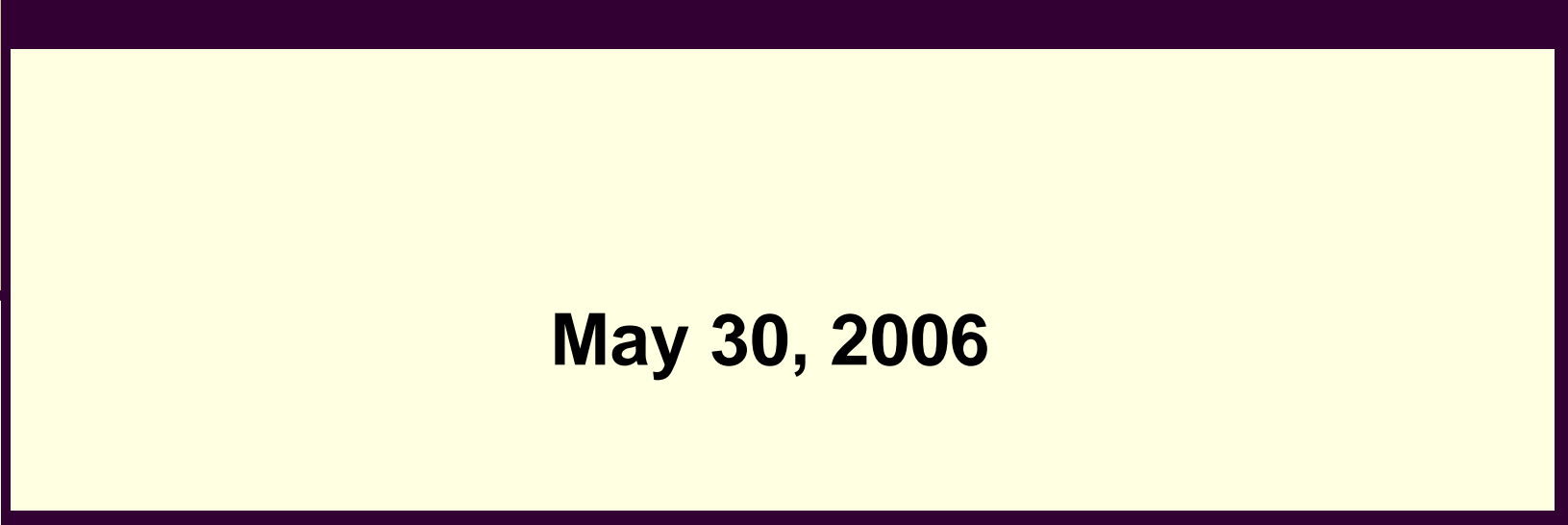




DRA's Presentation to the Energy Efficiency All Party Meeting



May 30, 2006

DRA's Role in the Energy Efficiency Proceeding

Primary Role: Intervener on Behalf of Ratepayer Interests

- Two full-time DRA staff

Member of the Program Advisory Group (PAG)

- Design of IOU programs
- Local PAG meetings
- Statewide PAG meetings

Member of Peer Review Group (PRG)

- Regularly scheduled PRG business meetings
- PRG assessment of the IOUs' EE application in Jun 2005
- Two-phase selection process of third-party programs
- PRG assessment of the IOUs' compliance filing in Feb 2006

Participation in Various PAGettes (PAG Subcommittees)

- Explore topical issues of energy efficiency in depth
- Domestic Hot Water, Marketing and Outreach
- Recommendations and DHW white paper

PAG / PRG Process

PAGs / PRGs advise the IOUs

- As advisory groups, the PAGs /PRGs have limited roles and uncertain impact on shaping better energy efficiency portfolios

PAG Issues

- Unclear that time invested adds significant value to the IOUs' EE portfolios
- Members' time not optimally used (duplicative program design issues across the IOUs' portfolios)
- PAGs not updated or consulted during long lag between meetings on pivotal issues
- PAG Report due to CPUC in September 2006

PAG / PRG Process

PRG Issues

- Requires time-intensive commitment for in-person meetings, conference calls and review of IOU documents and preparation of PRG assessments
- PRGs often do not receive accurate data and materials in a timely manner in advance of meetings
- PRG assessment limited to draft material provided by IOUs

PAG / PRG Process

Recommendations for Streamlining the Advisory Group Process

- Develop an on-going role that is participatory, meaningful, and best utilizes member time and resources
- Improve advisory process model
 - Consider recommendations from the PRG reports
 - Consider findings from the September 2006 PAG report
 - Survey third parties and partnerships
 - Obtain continual feedback to refresh as necessary
- Develop and implement a mechanism for capturing, tracking, and following-up on PAG / PRG input
 - Create a living road map that includes schedule and action plan
 - Follow-up on action items between meetings

2006 – 2008 Portfolios

The Value of Long Term Investment in Energy Efficiency

- Balance of long and short-term savings - ensure adequate budget allocated to long term EE investments
- Minimize lost opportunities - incentivize through a tiered rebate system to encourage comprehensive retrofit
- Support innovation
 - Invest in emerging technologies
 - develop a more sophisticated delivery system
 - expand participation of competitive bidding

2006 – 2008 Portfolios

Statewide Coordination Issues that Benefit from Standardization

- Incentive rates / caps for prescriptive and custom EE measures
- Competitive bidding process
- Marketing programs
- Contracts with third-party programs
- Economies of scope/scale/delivery

2006 – 2008 Portfolios

Recommendations for Improving Portfolios

- Lessons Learned
 - Commence next round in 2009-2011 on time
 - Improve ease of use of program cost effectiveness tools
 - Improve the selection process for statewide third-party programs
 - Improve the selection process for government partnership programs